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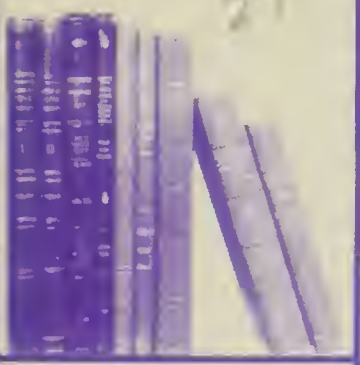

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MEMORIAL

OF THE

BOARD OF TRADE

OF THE

CITY OF PHILADELPHIA,

IN RELATION TO THE

ESTABLISHMENT OF A BRANCH MINT

AT NEW YORK.

PHILADELPHIA:
C. SHERMAN, PRINTER,
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1852.

MEMORIAL

OF THE

BOARD OF TRADE OF THE CITY OF PHILADELPHIA.

To the honourable Senate and House of Representatives of the United States.

The Board of Trade of the City of Philadelphia having learned that the bill for the establishment of a Branch Mint at New York, which was defeated at your last session, is again to be pressed upon the attention of your honourable body, ask leave herewith to present a memorial, praying you to withhold your favourable consideration from the measure proposed.

Your memorialists in pursuing this course do most emphatically disclaim, in the outset, for themselves and the people of Philadelphia, any improper feelings of hostility or jealousy towards their sister city. We take pride, equally with the whole country, in the advances of New York to greatness and commercial influence, and

would be far from interposing any unfair obstacles towards her onward career. We concede to her, without complaint, every legitimate aid which she may secure from the government to foster her progress. Jealousy is an attribute of weakness, and Philadelphia is too strong to entertain any such feeling. The rival of New York, at least, in activity, industry, skill, and extent of population; her superior in natural resources; and destined speedily to excel her in those artificial means of communication with the heart of our country on which the commercial greatness of either is dependent; Philadelphia is too confident of the future to give way to a single envious feeling towards that great city.

But to moderation in conduct Philadelphia unites a proper sentiment of self-respect. Influenced by this, she has resisted and will continue to resist, by all proper means, the measure which has been pressed on your attention, since she knows that its object, scarcely disguised, is to deprive her of an institution alike her pride and her ornament.

That the ultimate transfer of the Mint, from this city to New York, is the end designed in the proposed measure, is apparent, not merely from the arguments of her public press and public men, but from the fact that a single Mint, whether located in New York or in Philadelphia, is amply competent to all the coinage required at the Atlantic seaboard. This fact, which of itself affords a conclusive objection against the establishment of the proposed Branch, is to be seized upon, should such a Mint

be erected, as the argument for the ultimate suppression of the Mint in this city. New York asks now for a Branch Mint, her real object being to grasp the principal Mint itself. Such a project, under whatever disguise it may be masked, it is fitting that Philadelphia should resist; and we express her unanimous sentiment in presenting, as we now do, her earnest remonstrance against it.

In support of our opposition we invoke your attention to a few facts and reasons, which can neither be disputed nor answered.

I. We assert that there is no occasion for the proposed Branch growing out of any incapacity of the Philadelphia Mint to execute any amount, or kind, of coinage required of it.

This assertion has, both in Congress and elsewhere, been warmly controverted, but the experience of the past year is a sufficient answer to all doubts upon the subject. The Mint has coined, and paid, with a promptness which leaves no room for complaint, not only all the bullion brought to it within the year, but also a large balance accumulated at the close of the preceding year, in consequence of necessary alterations in the establishment. It has coined this bullion into just such pieces as the depositors demanded, whether dollars, quarter eagles, or larger coins, conforming in this respect to the stringent requirements of law. Of small coins, in particular, to the supply of which the Mint was asserted to be inadequate, the stock accumulated is at all times much beyond the demand; so that in no respect is there reason to doubt

the ample capacity of the Philadelphia Mint for the wants of the country. Not even with double the present receipts of bullion would there be any difficulty experienced. There is no probable increase of deposits, which could not be met by a corresponding increase of labour and machinery.

II. We assert, further, that the proposed establishment is not required to correct any real inconvenience arising from the present location of the Mint in Philadelphia.

The inconvenience, including expense, risk and delay, to depositors residing in New York, in sending their bullion to this city, has been much enlarged upon by the advocates of the contemplated Mint, and though but a weak argument, furnishes the only plausible one advanced for that measure. It will not be difficult, however, to show, by a few plain statements, that the inconvenience is greatly exaggerated,—that it is only of a temporary character,—and that it is susceptible of a ready and inexpensive remedy without resorting to a new Mint.

There are no exact data to conjecture what is the amount of gold on which transportation expenses would be saved to New York, by the location of a Mint within her limits. For it must be considered, that though in present circumstances the greatest part of the bullion imported is entered at New York, it is by no means owned, or intended to accumulate there, any more than the foreign goods which arrive at that port. A part is brought by passengers destined for the South or West, part is intended for distribution to banks and other parties in

the same directions; and such bullion is coined at Philadelphia with as great convenience to the owners as it would be in New York. It would, perhaps, be an exaggerated estimate to set down three-fourths of the bullion received, as intended immediately or ultimately for New York account, or say thirty-five millions for the year 1851. Let us, however, grant that such is the amount, and inquire at what expense it is probably transported.

We can refer, on this point, to the charges actually made to Government for the transportation of the immense amounts of bullion sent between the Mint and the Assistant Treasury at New York. These charges were, and still are, on gold, 37½ cents a thousand dollars each way, corresponding to three-eightieths of one per cent., or three-fortieths for the transportation both ways. At this percentage, the total expense on 35 millions of bullion brought to the Mint and returned to New York, should be $26,250, an insignificant sum in comparison to the amount supposed to be transported.

But it may be alleged that this business is done at much less cost to Government than to individuals, since commissions would have to be paid by the latter for the deposit and collection of bullion at the Mint, in addition to transportation charges. Considering, however, the competition of the Express Companies, and the superior economy evinced by individuals over Government in business contracts, it may well be doubted whether, on the whole, the rate of charges in the case supposed, is any higher than what we have shown it to be to the United States. But

dismissing conjectures on this point, it is known that the charge made by the house most largely engaged in this transportation, is (on deposits over $3000, which they mostly are) fifty cents per thousand dollars each way, or one-tenth of one per cent. for the expense in both directions, which includes freight, risk, and agency for deposit and collection. This rate of charge would indicate $35,000 as the extreme sum which is paid by New York depositors on even the exaggerated estimate we have made of bullion sent for their account, and it is to relieve that city of this small expense, that the Government is asked to intervene, and by constructing a new Mint, at an enormous charge for erection, support, and bullion fund, fasten upon the treasury, or the public, an expenditure ten or fifteen times as great as that to be economised! Surely such a remedy for so trifling an inconvenience, is like amputating a leg to cure a corn; and it would be better that the inconvenience should for ever remain, if such be the only corrective. We trust, however, to be able, in another part of this memorial, to develope a more simple and economical plan by which the hardship complained of, much as it is exaggerated, may be effectually remedied.

We have asserted that the inconvenience at this time sustained by New York in sending bullion to Philadelphia is only a temporary one. In proof of this we need only advert to the fact that nearly the whole of this bullion is received from California. It is believed, however, that the erection of a Branch Mint in California is a measure not likely to be long postponed; and when that Mint is

organized, it is not doubted that the great part of the bullion which now finds its way, unmanufactured, to New York, will be imported in coin, fit to pass at once into circulation. The inutility of an additional Mint on the Atlantic coast, in view of this fact, is, we think, too obvious to be enlarged upon.

But supposing the amount of bullion to be received at New York, for coinage, to be all that California shall produce, add to this an amount of foreign coin equal to whatever the most sanguine can estimate, and the question is by no means decided in favour of the necessity of a Branch Mint there. If there were not already a Mint in convenient distance from that city, the aspect of the case would be changed; but there is such a Mint, fully organized and equipped, and competent to every exigency. The object of a wise statesmanship, under these circumstances, should be to adopt such legislation as, while it makes available to the widest extent the services of the institution existing in the one city, opens at the same time every desirable facility to the commercial interests of the other.

A plan based on this view was introduced at the last session of Congress by our representative, the Hon. Joseph R. Chandler. It was framed in a spirit of accommodation to the interests of New York, which met the full approbation of his own constituents, and, as it provided for every real or fancied want of that city relative to the matter in discussion, we should be surprised that it was not advocated by her representatives also, could we over-

look the motives to which we adverted in the outset of this memorial. By the terms of the Bill referred to, a Mint agency was established in New York, the Assistant Treasurer being authorized to receive all bullion intended for coinage, issue certificates therefor, and pay the value thereof from the Government moneys. The bullion thus deposited was to be forwarded to the Mint, at its own expense and risk, and coined, and the proceeds, from time to time, returned to the Assistant Treasury to replace the funds advanced to depositors. This is not the place to develop, in detail, the working of such a plan; but we assert, what has not been, and cannot be, denied, that to the owners of bullion there is not a single advantage which would be secured by the location of a Mint in New York, which would not be realized by the proposed plan. From the time the bullion is deposited at the Assistant Treasury, the owners are as free from concern in regard to it as if it were in the treasury of a Mint. They have no expense to sustain; no risk to run; their only care is to collect the proceeds. Once in the custody of Government, what does it concern the depositor where the bullion is manufactured with which he is paid the value? The only party interested in the matter is the Government itself. In selecting the manner and place of manufacture, it should be mainly guided, all other circumstances being the same, by the question of economy. Will it be pretended that the Government, thus becoming the owner of bullion in New York, will not find it every way preferable to send it for coinage to Philadelphia, at the trifling

expense of freight, rather than erect a new Mint establishment? The distance between the two cities, estimated in time, is hardly a matter of consideration; the risk is shown, by experience, to be inappreciable; and the expense, compared with that of a new Mint, altogether insignificant. We have no doubt that a contract similar to that for transportation of the mail, with the same parties, and with the like guarantees for security, could be entered into, by which all the annual product of the California mines could be transported from New York to Philadelphia, and back, for less than the officers' salaries of a new Mint. Nay, more: at an additional expense, not equal to interest on the cost of such a Mint, agencies for the receipt and purchase of bullion, similar to the one proposed for New York, could be established also at Boston, Baltimore, Charleston, Cincinnati, and, perhaps, other cities. Thus widely diffusing the benefits of Branch Mints (for such they would substantially be) for an amount far, very far, within that which, by the other alternative, you are asked to expend for the benefit of a single locality.

If you should doubt that the establishment of a Mint Agency in New York, according to the plan indicated, would meet every object professed by the advocates of the proposed Branch Mint, it would be easy to test the matter by a trial. With proper legislation, such an agency could be organized within a few weeks, and at trifling expense; and long before the probable adjournment of your honourable body its practical working could be ascertained. If this should prove unsatisfactory, it would be in your power

to reconsider your action, and establish a Branch Mint, or not, as circumstances might render expedient.

III. We have adverted to the great expense which would attend the erection and support of a Branch Mint at New York. A few remarks in illustration of that topic, and we shall leave the whole subject to your respectful consideration.

The bill presented to the Senate by the Hon. Mr. Fish, asks, "for the purpose of purchasing a site, erecting a suitable building, and completing the necessary combinations of machinery for the said Branch, the sum of two hundred and twenty-five thousand dollars." We do not suppose there is a member of your honourable body who sincerely entertains the opinion that the sum mentioned is the extreme limit of cost. Considering that the building to be erected would probably be of great dimensions, and of the most expensive and ornamental materials, the sum named is perhaps not one-half of what would, in fact, be required. The first appropriation asked for the New York Custom House was but $200,000, but an inquiry into the actual cost will show that it amounted to about $1,250,000. The New Orleans Mint, which is a brick structure, roughcast, and without architectural pretension, cost $312,000, although the lot on which it is built was presented to the United States. The Philadelphia Mint cost $238,000, without taking into the estimate the machinery and fixtures removed from the old establishment, and the superior economy of our city in its public and private structures, is well known. We confidently believe that

the proposed Branch Mint would cost, at the least, before commencing operations, the sum of $400,000.

The charge for its annual support would certainly not be less than that now required for the Philadelphia Mint; and we are informed that the average expense of that establishment, for the past three years, has exceeded $200,000 per annum, exclusive of the amount necessary to defray wastage of gold and silver.

It is also to be considered that, in order to provide for the prompt payment of deposits, the Government purchases bullion to supply the Mints with sufficient material to enable them to prepare coins in advance of the receipt of deposits. Were it otherwise, the depositors would have to await, before they could be paid, the slow process of manufacture of the bullion they themselves furnish to the Mint, which would consume many weeks. The bullion fund, which, as we have said, is advanced by Government to obviate this inconvenience, is necessarily, in the present heavy coinage of the country, of a very heavy amount, being at Philadelphia over five and a half millions; at New Orleans over a million. With the multiplication of Mints, the bullion fund required is, of course, increased. A new Mint in New York would require a new advance from the Treasury on this account; to what precise extent cannot be known. A part of the amount required could doubtless be furnished from the Philadelphia Mint, but the actual additional demand on the Treasury on this account would be, probably, not less than two millions. As this sum, if not directed to this unnecessary use, could have

been applied in the reduction of Government debt, or to the sinking fund, its interest should be considered in an estimate of the proposed expenses.

Grouping together the several items of cost which would arise from the construction of the proposed needless establishment, we present the following result:

Cost for erection, machinery, &c., - - - - -	$400,000
Principal of the annual expense ($200,000), - - -	3,500,000
Additional bullion fund to be advanced, - - -	2,000,000
Total expense required, - - - - - -	$5,900,000

The interest on this is $354,000, which is to be annually withdrawn from the Treasury for a purpose which can be completely effected, to the satisfaction of every reasonable want, for about one-twentieth of the amount! Surely, while there are so many highly beneficial objects for which the public money can be expended, we do not err in believing it impossible that authority can be yielded for the proposed establishment.

There are many further objections and explanations which we might offer, but this memorial has already extended to too great length to admit of them. There is one matter, however, to which we must refer. It has been proposed by the Secretary of the Treasury to lay a tax on coinage, with a view to relieve the Government of the Mint expenses. Should such a measure be passed, it might be contended that the objections which have been offered to the proposed Mint, on account of its cost, would be

obviated. This, however, is a very fallacious view. The expenses, if not paid by the Government, will fall directly on the people. They will not even fall upon the brokers or purchasers of bullion, who will take care to compensate themselves in the regulation of prices. The cost will be met by the people at large. The case would be analogous to that of the General Post Office, which usually supports itself, without charge upon the Treasury: but was it ever contended that the Post Office cost nothing—that it was no tax upon the people?

Your memorialists, in conclusion, being fully assured of the inutility and impolicy of the proposed Branch Mint, renew their prayer that you will withhold from that measure your favourable consideration.

By order,

THOS. P. COPE, President.

C. G. CHILDS, Secretary.